(d) The Government is holding 67.72% of the paid up Share Capital of BHEL. There is at present no proposal of further disinvestment of BHEL's shares. Therefore, the question of take-over of BHEL does not arise at present.

Checking the Price Rise of Essential Commodities

*216 SHRI R. MARGABANDU: Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) the steps Government are taking to control the price hike of essential commodities in the whole country;

(b) whether Government are aware of the abnormal price rise of essential commodities and vegetables in Tamil Nadu; and

(c) whether Government would prevail over State Government of Tamil Nadu to control the price rise?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV): (a) The Government has taken a number of steps to control the prices of essential commodities. In order to meet the shortage of wheat, action has been to import wheat upto 2 million tonnes through State Trading Corporation. Apart from certain long term measures to increase the production of essential commodities, imports of commodities which are in short supply are encouraged to augment the availability of these items. Some of the commodities are also supplied through the Public Distribution System and Cooperative Stores on below market prices. State Governments have been asked to take stringent action against hoarders, black marketeers and others indulging in unfair trade practices under the Essential Commodities Act and Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities, Act, etc.

(b) and (c) According to the information available from the Government of Tamil Nadu, the price rise of essential commodities was mainly due to the low production at the producing centres and low arrivals from other centres due to traffic bottlenecks caused during the recent cyclonic floods. The prices of vegetables are showing a declining trend since January. The State Government is taking steps to control the prices by market intervention and discussions with the representatives of the traders. The State Cooperative outlets are also undertaking sale of essential commodities at reasonable prices.

Abolition of Dual Pricing of Sugarcane

*217. SHRIMATI VEENA VERMA:
SHRI JANARDHANA POOJARY:

Will the Minister of FOOD be pleased to state:

(a) whether Government have received any representation from farmers to abolish dual pricing of sugarcane;

(b) if so, the details thereof;

(c) the details of the prevailing dual pricing system;

(d) whether Government have also announced new support price;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV): (a) to (c) some representations have been received. One of them from UP, inter-alia, laments the fact that the price of Rs.72/- fixed earlier has been reduced to Rs. 42/-.

In this context it needs, to be pointed out that under the Sugarcane Control Order, 1966 the price of sugarcane is fixed first as Statutory Minimum Price (SMP) under Clause (3) of the Order and then additional price becomes payable under Clause 5 (A) of the said order on

the basis of excess realisation made by the factory during the sugar season. Some of the States, however, were fixing without reference to Clause 5A, a price popularly known as State Advised Price (SAP) and insisting upon its payment in one instalment. This being not acceptable to Sugar manufacturing units in UP, they challenged it before a Bench of the Allahabad High Court. The Court, upholding the prce fixation formula prescribed under the Sugarcane Control Order, has declared SAP as illegal. It is, however, legally open to the sugarcane manufacturers and the sugarcane growers to have an agreed price.

(d) to (f) The Government have revised the Statutory Minimum Price for sugarcane with effect from 1.10.1996. It is fixed at Rs. 45.90 per quintal linked to a basic recovery of 8.5% subject to a premium of Rs. 0.57 for every 0.1% increase in recovery above this basic level.

Long Term Credit by MMTC for Imported Fertilizer

*218. SHRI S. AUSTIN: Will the Minister of COMMERCE be pleased to state:

(a) whether MMTC extends long-term credit to agents for its imported fertilizer in some States only;

(b) whether it is a fact that crores of rupees of MMTC funds are locked up by some fertilizer dealers in Anthra Pradesh for two years;

(c) whether no security has been taken from such fertilizer agents; and

(d) if so, reasons for this laxity;

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULI RAMAIAH): (a) to (d) No, Sir. MMTC only extend short term interest-free credit to parties against Bank Guarantee/Letter of Credit. This Policy is equally applicable to all States. Rs.2.50 crores is pending realisation from five dealers in Andhra Pradesh. No security was taken from the five dealers on the date the stocks were placed in their godowns. However, MMTC has since covered Rs.1.15 crores (approx.) through securities. The reasons for not taking adequate security at the first instance are being looked into.

Functioning of Metal Scrap Trading Corporation Limited

*219. SHRIMATI BASANTI SARMA:
DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of STEEL be pleased to state:

(a) whether Government are properly monitoring the functioning of the Metal Scrap Trading Corporation Ltd.

(b) if so, whether the Corporation has been making profits; is so, the profits for the last three years;

(c) in view of the policy of liberalisation whether the Government feel the necessity of the MSTC; and

(d) if so, the reasons therefor?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) Yes, Sir.

(b) MSTC Limited (formerly known as Metal Scrap Trade Corporation Ltd.) is continuing to make profits. The profit before tax earned by it during the last 3 years has been as under:

Year	Profit Before tax (Rs. in crores)
1993-94	8.16
1994-95	8.52
1995-96	3.13

(c) and (d) The Company is playing a useful role in meeting the requirements of imported steel melting scrap of various users, particularly the small Electric Arc Furnace Units in the steel industry, and it would be in the interest of the country that MSTC continues to provide such service to the secondary steel sector. Besides, MSTC also provides well